

NOTICE OF INTENT

Department of Environmental Quality
Office of Air Quality and Radiation Protection
Air Quality Division

Under the authority of the Environmental Quality Act, R.S. 30:2001 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the secretary gives notice that rulemaking procedures have been initiated to amend the Air Quality Division regulations, LAC 33:III.603 (Log #AQ176).

This revision allows emissions banking for all parishes in the state. The change in the Ozone National Ambient Air Quality Standard (NAAQS) makes predicting which parishes may participate in the current rule a difficult task. While the requirements are mandatory for ozone nonattainment areas, the proposed revision lifts the restriction so that other parishes may participate in a voluntary manner. The basis and rationale for this rule are to promote emissions banking in all parts of the state.

This proposed rule meets the exceptions listed in R.S. 30:2019 (D) (3) and R.S.49:953 (G) (3); therefore, no report regarding environmental/health benefits and social/economic costs is required.

A public hearing will be held on September 24, 1998, at 1:30 p.m. in the Maynard Ketcham Building, Room 326, 7290 Bluebonnet Boulevard, Baton Rouge, LA 70810. Interested persons are invited to attend and submit oral comments on the proposed amendments. Should individuals with a disability need an accommodation in order to participate, contact Patsy Deaville at the address given below or at (504) 765-0399.

All interested persons are invited to submit written comments on the proposed regulations. Commentors should reference this proposed regulation by AQ176. Such comments must be received no later than October 1, 1998, at 4:30 p.m., and should be sent to Patsy Deaville, Investigations and Regulation Development Division, Box 82282, Baton Rouge, LA 70884 or to FAX (504) 765-0486. Copies of this proposed regulation can be purchased at the above referenced address. Contact the Investigations and Regulation Development Division at (504) 765-0399 for pricing information. Check or money order is required in advance for each copy of AQ176.

This proposed regulation is available for inspection at the following DEQ office locations from 8 a.m. until 4:30 p.m.: 7290 Bluebonnet Boulevard, Fourth Floor, Baton Rouge, LA 70810; 804 Thirty-first Street, Monroe, LA 71203; State Office Building, 1525 Fairfield Avenue, Shreveport, LA 71101; 3519 Patrick Street, Lake Charles, LA 70605; 3501 Chateau Boulevard, West Wing, Kenner, LA 70065; 100 Asma Boulevard, Suite 151, Lafayette, LA 70508; or on the Internet at <http://www.deq.state.la.us/olae/irdd/olaeregs.htm>.

Gus Von Bodungen, PE
Assistant Secretary

Title 33
ENVIRONMENTAL QUALITY
Part III. Air

Chapter 6. Regulations on Control of Emissions Through the Use of Emission Reduction Credits Banking

§603. Applicability

~~The only geographical areas in which eligible sources may participate in the emissions banking program are the federally designated ozone nonattainment areas. The following sources are eligible to participate in the emissions banking program for a designated ozone nonattainment area: any stationary point source, any area source, and any mobile source registered in the designated ozone nonattainment area. The rule shall apply to the following pollutants: NO_x and VOC. Other sources in areas being redesignated ozone attainment may participate in the emissions banking program on a voluntary basis.~~

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:874 (August 1994), amended LR 24

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

LOG #: AQ176

Person

Preparing

Statement: Annette H. Sharp Dept.: Environmental Quality

Phone: (504) 765-0914 Office: Air Quality and Radiation Prot.

Return

Address: P. O. Box 82135 Rule Title: Revision to Emissions Banking

Baton Rouge, LA Rule (LAC 33:III.603)

70884-2135 Date Rule Effective: Upon Promulgation

SUMMARY

(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There are no estimated implementation costs (savings) to state or local governmental units, as this is a voluntary control measure.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no estimated effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Economic benefits may be derived by permitted facilities. Banked emissions may be used for offsetting purposes as well as a marketable asset. It may also be a cost to permitted facilities should the LDEQ have to confiscate banked emissions to meet ozone nonattainment milestones.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no estimated effect on competition and employment.

H. Gordon Monk

Signature of Agency Head or Designee LEGISLATIVE FISCAL OFFICER OR
DESIGNEE

Gus Von Bodungen, Asst. Secretary
Typed Name and Title of Agency Head or Designee

7/15/98
Date of Signature

8/5/98
Date of Signature

LFO 10-05-92

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is requested in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed rule allows emissions banking for all parishes in the state.

- B. Summarize the circumstances which require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

There is no mandatory requirement for this rule revision. However, the change in the Ozone National Ambient Air Quality Standard (NAAQS) makes predicting which parishes may participate in the current rule a difficult task. While the requirements are mandatory for ozone nonattainment areas, the proposed revision lifts the restriction so that other parishes may participate in a voluntary manner.

- C. Compliance with Act II of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The proposed rule will not result in any increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

- (a) _____ Yes. If yes, attach documentation.
(b) _____ No. If no, provide justification as to why this rule change should be published at this time.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED.

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

There is no anticipated increase (decrease) in costs to implement this proposal.

COSTS	FY 98-99	FY 99-00	FY 00-01
PERSONAL SERVICES	-0-	-0-	-0-
OPERATING EXPENSES	-0-	-0-	-0-
PROFESSIONAL SERVICES	-0-	-0-	-0-
OTHER CHARGES	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-
MAJOR REPAIR & CONSTR.	-0-	-0-	-0-
POSITIONS (#)	-0-	-0-	-0-

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

There are no costs or savings with this rule revision.

3. Sources of funding for implementing the proposed rule or rule change.

No additional funding is required to implement this rule change.

SOURCE	FY 98-99	FY 99-00	FY 00-01
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
DEDICATED			
FEDERAL FUNDS			
OTHER (Specify)			
TOTAL	-0-	-0-	-0-

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

The LDEQ has sufficient funds to implement the proposed action.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There is no cost or savings to local governmental units resulting from the action proposed due to the nature of the regulation. The applicability of this rule is for permitted facilities.

2. Indicate the sources of funding of the local governmental unit which will be affected by these costs or savings.

There are no sources of funding of the local governmental unit which will be affected.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS.

A. What increase (decrease) in revenues can be anticipated from the proposed action?

No increase (decrease) in revenues is anticipated from this proposal.

REVENUE INCREASE/DECREASE	FY 98-99	FY 99-00	FY 00-01
STATE GENERAL FUND			
AGENCY SELF-GENERATED			
RESTRICTED FUNDS*			
FEDERAL FUNDS			
LOCAL FUNDS			
TOTAL	-0-	-0-	-0-

* Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A". Describe all data, assumptions, and methods used in calculating these increases or decreases.

This is not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or nongovernmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The proposed rule is to promote emissions banking for all applicable stationary point sources, area sources and mobile sources. Participation is mandatory for sources in ozone nonattainment areas. The benefits are the longevity of banked emissions that can be used for offset requirements. The risk is primarily the LDEQ confiscating banked credits to meet additional emission reductions for a nonattainment area.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule change to these groups.

Unless emission credits are sold, the benefit derived is the offsetting of future emission growths or facility expansion.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

There is no impact of the proposed rule on competition and employment in the public and private sector.